

110TH CONGRESS
2D SESSION

H. R. 7105

To amend title XVIII of the Social Security Act to preserve access to urban Medicare-dependent hospitals.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 2008

Mr. SAXTON (for himself and Mr. SMITH of New Jersey) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend title XVIII of the Social Security Act to preserve access to urban Medicare-dependent hospitals.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Urban Medicare-De-
5 pendent Hospitals Preservation Act of 2008”.

6 **SEC. 2. CRITERIA AND PAYMENT FOR CERTAIN URBAN**
7 **MEDICARE-DEPENDENT HOSPITALS.**

8 (a) IN GENERAL.—Section 1886(d)(5) of the Social
9 Security Act (42 U.S.C. 1395ww(d)(5)) is amended by
10 adding at the end the following new subparagraph:

1 “(M)(i) For cost reporting periods beginning on or
 2 after October 1, 2008, in the case of a subsection (d) hos-
 3 pital which is an urban Medicare-dependent hospital, pay-
 4 ment under paragraph (1)(A) shall be equal to the sum
 5 of the amount determined under clause (ii) and the
 6 amount determined under paragraph (1)(A)(iii).

7 “(ii) The amount determined under this clause is, for
 8 discharges occurring during the cost reporting period that
 9 begins on or after October 1, 2008, and any subsequent
 10 cost reporting period, 75 percent of the amount by which
 11 the hospital’s target amount for the cost reporting period
 12 (as defined in subsection (b)(3)(L)) exceeds the amount
 13 determined under paragraph (1)(A)(iii).

14 “(iii) The term ‘urban Medicare-dependent hospital’
 15 means, with respect to any cost reporting period to which
 16 clause (i) applies, any hospital—

17 “(I) located in an urban area;

18 “(II) that does not receive payment—

19 “(aa) under subparagraph (C) as a rural
 20 referral center;

21 “(bb) under subparagraph (D) as a sole
 22 community hospital;

23 “(cc) under subparagraph (B) or under
 24 subsection (h); or

25 “(dd) under subparagraph (F); and

1 “(III) for which not less than 60 percent of its
2 inpatient days or discharges during the cost report-
3 ing period beginning in fiscal year 2006, or two of
4 the three most recently audited cost reporting peri-
5 ods for which the Secretary has a settled cost report,
6 were attributable to inpatients entitled to benefits
7 under part A.

8 “(iv) The Secretary shall for each fiscal year make
9 an appropriate adjustment in the national standardized
10 amount under paragraph (3) to ensure that any payments
11 made under this subparagraph are made in a manner that
12 assures that the aggregate payments under this subsection
13 are not greater or less than those that would have been
14 made without such additional payments.”.

15 (b) TARGET PAYMENT AMOUNT.—Section
16 1886(b)(3) of such Act (42 U.S.C. 1395ww(b)(3)) is
17 amended—

18 (1) in subparagraph (B)(iv), by striking “and
19 (D)” and inserting “, (D), and (L)”;

20 (2) by adding at the end the following new sub-
21 paragraph:

22 “(L) For cost reporting periods occurring on or after
23 October 1, 2008, in the case of a hospital that is an urban
24 Medicare-dependent hospital (as defined in subsection
25 (d)(5)(M)), the term ‘target amount’ means—



1 “(i) with respect to the first 12-month cost re-
2 porting period in which this subparagraph is applied
3 to the hospital, the allowable operating costs of inpa-
4 tient hospital services (as defined in subsection
5 (a)(4)) recognized under this title for the hospital
6 for the 12-month cost reporting period beginning
7 during fiscal year 2002, increased by the applicable
8 percentage increase under subparagraph (B)(iv) for
9 each of fiscal years 2003 through 2008; and

10 “(ii) with respect to discharges occurring after
11 the first 12-month cost reporting period in which
12 this subparagraph is applied to the hospital, the tar-
13 get amount for the preceding year increased by the
14 applicable percentage increase under subparagraph
15 (B)(iv).”.

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